

Barrick Resources Corporation
Highlights in 1983

Financing

Shareholders' equity increased from \$16 to \$42 million

Public listing on the Toronto Stock Exchange through merger with Consolidated Summit Mines Limited and PetroInc Resources Ltd.

Raised over \$30 million through private placement of common shares and a Gold Royalty Trust

Gold

Acquired the Renabie gold mine through merger with Sungate Resources Ltd., followed by sale of half interest in the mine to Cullaton Lake Gold Mines Ltd.

Acquired 23 percent interest in the Valdez Creek gold property and made 1984 production commitment

Acquired the Alaska Juneau (A.J.) and Treadwell gold mine properties at Juneau, Alaska, formerly the largest gold producers in North America

Oil and Gas

Discovered major reserves of natural gas in south Texas (Fandango) with the drilling of the Trevino 1A deep Wilcox well confirming proven and probable reserves to Barrick's net interest of 25.7 billion cubic feet

Drilled the Leonard 1-24 in Wyoming as the first company-operated well in the U.S. and completed the well as a natural gas discovery at 14,688 feet, with Barrick's net proven and probable reserves confirmed at 8.7 billion cubic feet

Acquired 55,000 net acres on seismic prospects in the new Montana Overthrust deep exploration play

Advanced the exploration of Barrick's 8 million acre Black Sea Coast lands in Turkey with completion of a major geological/geophysical reconnaissance project

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A solid base of resource properties was built into Barrick while operating as a private company. With the commitment to become a publicly traded enterprise in early 1983 the Company set objectives to balance its North American and international oil and gas interests with the development of significant holdings of producing gold reserves in North America.

Barrick's balance sheet has strengthened considerably with shareholders' equity increased by \$26 million. This substantial increase in capital at work will translate in 1984 and beyond into significant cash flow from both gold and hydrocarbon production.

The Company's shares were listed on the Toronto Stock Exchange on May 2nd, 1983 and over 10 million shares had traded by year end. Total issued capital stock at year end was 57.8 million common shares.

Gold

Barrick aggressively pursued the development of its gold asset base during the year, concentrating on proven producing properties. The corporate strategy is to acquire or develop a diversity of gold producing interests exclusively in North America.

The Renabie gold mine in northern Ontario was acquired through a joint venture (50% Barrick / 50% Cullaton Lake Gold Mines) with the issuance of \$11.6 million of Barrick Resources Corporation shares. The mine's well established producing reserve and production facility will be expanded over the next two years to double its output, resulting in a net annual 30,000 ounces of gold to Barrick's interest.

The Company in 1983 successfully marketed in Canada and the U.K. a unique

new means of financing gold producing properties. The Barrick-Cullaton Gold Trust, which is essentially a royalty interest on the Renabie gold production, provides for increasing distributions of gold to the Trust as the price of gold increases. The investor benefits not only from increased volumes of gold to the Trust but also from increased gold price. Barrick shareholders benefit from the low cost development funds for mine expansion today and only pay increased royalties in future if there are future gold price increases. The trust units are trading on the Toronto Stock Exchange currently.

Barrick also acquired an interest in the Valdez Creek property in Alaska which will provide an additional 6,500 ounces of gold to the Company's interest in 1984. This high-grade open pit property is expected to pay out initial capital investment and show an operating profit in its first year.

Oil and Natural Gas

The Company's strategy in the oil and gas exploration business paid off in 1983. Exciting new exploration prospects have been added to Barrick's resource base in North America. During the year two major discoveries of natural gas were made in separate deep exploration areas in the United States.

Barrick's exploration strategy has been to concentrate on prospects with potential for very large reserves of oil or natural gas. To accomplish discovery with limited financial exposure the prospects are selected, technically enhanced and then farmed out for drilling by others. Barrick is generally in the position of recovering its invested capital and retaining an interest in the prospect.

Our deep Wilcox natural gas discovery at Fandango in south Texas in 1983 was

drilled by a group of major independents at no cost to the Company. In 1984 Barrick will continue to have new reserves proven at no additional cost to the Company by virtue of the exploration deal in place for the 10,000 acre project. The Company's drilling funding obligation will begin in 1985, with a requirement to participate in its 12½ percent working interest in the development of the south-east Fandango Field reserves. Engineering reports show that the Company's proven and probable Fandango reserves at a 10 percent discount factor are worth \$54 million net to Barrick's interest at the present time.

In the Madden Field, in Wyoming, the Company's Leonard 1-24 was an exploratory success that bottomed in the Lance formation at 15,322 feet. Three development wells are planned in 1984. The proven and probable reserves defined by the independent engineering report for this asset indicate a net present value at 10 percent discount of \$19 million to Barrick's interest.

The Company's oil and gas exploration subsidiary, Barrick Exploration Company, has achieved important successes in applying its unique technologies to the definition of new prospect areas. This Denver-based team can be expected to show favourable exploration results again in 1984.

Outlook

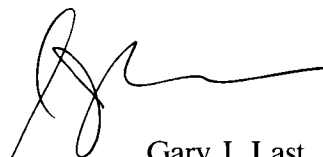
In oil and gas operations, the Company intends to develop the new discoveries as quickly and as efficiently as possible to realize on cash flow opportunities. The gas is contracted for on favourable terms and development drilling is Barrick's first priority. Expansion of the exploration base is a second priority and important joint

venture programs in deep gas exploration areas in south Texas and in the Montana Overthrust are part of this year's activities. In particular, a \$20 million deep Wilcox exploration program based on Barrick technology is now underway in south Texas with the Company in a significant carried interest position on the first drilling prospect. In the Montana Overthrust a \$5 million land acquisition program has been funded by industry partners with Barrick operating the exploration program with a carried working interest.

The Company, supported by its strong shareholders, remains in an acquisition-oriented mood and many of the gold acquisition prospects that were generated in 1983 are expected to be turned into realities as 1984 unfolds. The royalty funding concept, piloted with the Barrick-Cullaton Gold Trust, forms an integral part of our financial planning for gold acquisitions. It provides the opportunity to access significant increases in gold production without incurring debt or dilution of shareholders' equity.

If 1983 was the year to develop the base as a new public company, establishing both gold and oil and gas assets, 1984 is the year to realize on that base and show significant further growth in assets and in cash flow.

Submitted on behalf of the Board of Directors.



Gary J. Last
*President and
Chief Executive Officer*

April 11, 1984

*Barrick Resources Corporation
The Barrick Directors
A Working Board*

The Company's Board of Directors is one of its unique strengths. All Board members are committed financially and professionally to the Company's well-being and rapid growth. Management has been able to call upon the diverse skills of the Board and has enjoyed the experience and the support of working side by side with Board members on particular projects.

The Directors, as well as actively working with management to achieve the Corporation's objectives and to access new opportunities, have been particularly responsible for raising the capital to support Barrick's rapid growth in gold and in oil and gas activities.

The character of the Company is reflected in the business backgrounds of the Board members. International finance skills and contacts are balanced with professional backgrounds in mining and oil and natural gas operations and investments.

Howard L. Beck
Toronto, Ontario
Partner,
Davies, Ward & Beck

C. William D. Birchall
Nassau, Bahamas
Director,
Barrick Investments Limited

Stephen R. Dattels
Toronto, Ontario
Executive Vice President,
Barrick Resources Corporation

David H. Gilmour
Nassau, Bahamas
Chairman,
Barrick Resources Corporation

Essam Khashoggi
London, England
Chairman and Chief Executive Officer
Triad International

Gary J. Last
Toronto, Ontario
President and Chief Executive Officer,
Barrick Resources Corporation

Peter Munk
Toronto, Ontario
Chairman,
Barrick Investments Limited

P.A. Novelly
St. Louis, Missouri
President and Chief Executive Officer,
Apex Oil Company

Joseph L. Rotman
Toronto, Ontario
President, Roy-L Resources Ltd.
Chairman and Director,
Geocrude Resources Ltd.

Norman J. Short
Toronto, Ontario
President and Director,
Guardian Capital Group Limited

Barrick's Board of Directors set objectives for the company to become a significant gold producer as part of the decision to become a public company in 1983. The first step in the long term gold growth plan was a target of 100,000 ounces of gold production by the end of 1984. That initial target is now in sight. With the gold industry offering unique options for off-balance sheet funding of property acquisitions, Barrick is looking to an expanding future ownership of gold mine interests.

The corporate strategy is to acquire a diversity of gold producing properties, but only in North America. A key requirement is that the mines have potential for long life and low operating costs. Of particular interest are producing properties with potential for expansion, or properties that are emerging from the development stage.

In 1983, important steps were taken to fulfill this goal. Barrick acquired a 50 percent ownership in the operating Renabie Mine. The Barrick-Cullaton Gold Trust raised \$17 million to expand the mine. An agreement was concluded to develop an open pit gold reserve at Valdez Creek, Alaska. An agreement was reached with the owners of the two historic mining properties in Juneau, Alaska which gives the Company mining rights to these properties. A number of other significant prospects are in the planning and negotiating stage.

Following is a detailed look at the properties.

Renabie Mine

On October 1, 1983, Barrick Resources acquired the Renabie Mine by effecting a merger with Sungate Resources Ltd. In a subsequent transaction a 50/50 joint venture

with Cullaton Lake Gold Mines Ltd. was created. Campbell Resources Inc. is the mine operator. The Renabie is an operating gold mine located near Wawa, Ontario, some 100 miles southeast of the newly discovered Hemlo gold camp.

A program is now underway to increase the production of the mine from the current annual 30,000 ounces to a minimum of 60,000 ounces annually within two years.

The capacity increase is planned in three major phases and will take two years to complete. This expansion involves: additions and improvements to the mill to increase the capacity from its present 525 tons per day to 850 tons per day; the sinking of a 1,400 foot internal shaft below the 3,100 foot level to provide access to the ore reserves at least 1,000 feet below present working levels; the change in mining method to cut and fill from long hole open stoping. This more selective mining method will insure controlled costs and ore grades at or above the historic levels.

Capital expenditures over the two year period are expected to total some \$18 million.

Without taking into account future development, Renabie has proven probable and drill indicated reserves of 1.5 million tons between the 2,500 and 3,600 foot levels, and additional inferred reserves in upper level pillars. The main ore body will be drilled an additional 800 feet. If the main body continues to make ore at its historic average of 1,250 tons per vertical foot, this drilling program will add approximately 1 million tons of reserves. There are also parallel mineralized zones that will be explored in 1985 to expand future mining potential.

*Barrick Resources Corporation
The Renabie Mine
A Major Producing Ore Body*

The Renabie Mine has produced 4 million tons of ore grading 0.225 ounces of gold per ton. The mine now produces 30,000 ounces of gold per year from a reserve base of 1.5 million tons proven, probable and drill indicated.

An expansion plan is currently being implemented to achieve a doubling from the current rated 30,000 ounces gold annually to 60,000 ounces annually. On completion of the expansion, operating costs are anticipated to be in the order of US\$240 per ounce, which will make Renabie very competitive and will place it in the top quartile of the most cost effective operating gold mines in North America.

Geologically, the Renabie gold mine is exciting as it represents a large mining unit containing ore that has an average grade of 0.225 ounces gold per ton from surface to the lowest level now being mined, the 3,105 foot level. Deeper drill holes indicate that the ore-body continues to depth with similar dimensions and grade.

Following the completion of an expansion program, the Renabie Mine will be among the lowest cost gold producers in North America.



With the expansion fully in place the Renabie Mine will be an efficient gold producer, with operating costs among the lowest in North America, and will be debt free. The mine's proven and indicated reserves will generate significant cash flows to Barrick.

Valdez Creek, Alaska

Barrick has acquired a 23 percent equity participation in a joint venture which completed a comprehensive exploration program in 1983 to prove an open pit gold prospect at Valdez Creek. Located north of Anchorage, the prospect will go into production in 1984.

The joint venture, operated by Sullivan Mines (15%) and including Camindex (33%), Talcorp (23%) and Barrick (23%), completed a drilling program in 1983. This was followed by a comprehensive mining feasibility study. It has been agreed to go ahead with a first stage commercial open pit operation from June to October, 1984. Production is forecast at 28,500 ounces for 1984 at a cost of US\$113 per ounce. The project cash flow, net of capital and operating costs, is forecast to be positive by October 1984 and show \$2.1 million by year end. With payout achieved in the first year of project operation, future operations will generate significant additions to Barrick's revenues.

An exploration drilling program to prove additional reserves is also planned

during the 1984 season. Expansion to a year round program will depend on reserves defined and expansion feasibility studies.

Juneau, Alaska

Barrick's Alaska subsidiary and the Alaska Electric Light and Power Company and the City of Juneau have signed an agreement which will give Barrick rights to explore, prove and develop the 29 gold mining claims owned by the power company and the city. The claims include names which arouse memories of the "good old days" when gold mining was the heartbeat of Juneau - and of Alaska ... the Treadwell, Alaska Gastineau and Alaska Juneau (A.J.) mines.

The Treadwell and A.J. were two of the largest underground gold mines in the world in their time and combined with the Gastineau produced over 7 million ounces of gold during their operating lives. The Treadwell mine ceased operations in 1914 because of a cave-in that caused flooding of the existing workings with sea water. The A.J. held out until high costs and labour shortages caused by World War Two forced closure in 1944.

Preliminary estimates by geological and engineering consultants put drill proven gold reserves in excess of 1 million ounces. The 1984/1985 program for the properties will concentrate on detailed mapping and data evaluation. Although revitalization of the mines will be capital intensive, with contemporary mining technology and improved gold prices there are solid economic prospects for a major mine here in the next five years.

Barrick-Cullaton Gold Trust

The Gold Trust was listed on the Toronto Stock Exchange February 13, 1984,

making it the first publicly traded gold royalty trust in Canada. The \$17 million offering was sold in Europe and Canada under the sponsorship of Orion Royal Bank, Davidson Partners, Midland Doherty and Williams de Broe Hill Chaplin. The units are traded under the symbol BCUN.

The Barrick-Cullaton Gold Trust is a closed-end investment trust which will receive a variable percentage of gold produced by the Renabie Mine. Unit holders have an interest in that production ranging from 3 percent of mine output when the price of gold is at or below US\$399 per ounce, graduating in \$10 increments to 10 percent of production when gold is at US\$1,000 per ounce.

For 1984 and 1985, during the mine's expansion, the Trust will receive a minimum of 1,350 ounces of gold semi-annually. This will result, based on the initial offering price of \$1 per unit, in an annual after tax investor yield of approximately 8 percent if gold is at US\$400.

Gold bars being stamped before forwarding to Canadian mint for refining.



In 1983, Barrick's Denver-based oil and gas subsidiary reported drilling success that will result in significant additions to cash flow beginning in 1984. The first two wells in Barrick Exploration Company's drilling program resulted in the completion of two major gas discoveries, each with important development potential. Both wells are now on production.

Barrick has concentrated on acquiring exploratory leases in both proven and frontier areas in the United States generally where there is a high reward potential. The Company has been successful in attracting major industry partners in each venture, with the goal of having the exploratory risk well drilled at no cost to the Company, but with Barrick retaining a significant interest so as to participate fully in the reserve development and cash flow generated from oil and gas production.

Leases in inventory now total some 400,000 gross acres in the following areas:

| Area | Gross Acres | Working Interest (%) |
|---|-------------|----------------------|
| South-East Fandango, Texas | 10,231 | 12.5 |
| Madden-Badwater Field, Wyoming | 1,432 | 33.1 |
| Western Overthrust, Montana | 73,000 | 75.0 |
| Arkoma/Desha Basins, Arkansas and Mississippi | 112,000 | 95.0 |
| Umatilla Basin, Oregon | 200,000 | 100.0 |
| Midland Basin, Texas | 5,700 | 50.0 |

Drilling priorities for 1984 include two deep development wells in south-east Fandango, Texas, three development wells in the

Madden-Badwater Field, Wyoming and beginning exploration drilling in the Midland Basin. Exploration priorities will center on expansion of the programs in the deep Wilcox of south Texas to repeat the Fandango success, and in the Montana Overthrust. Following is a detailed review of current holdings and their status:

South-East Fandango, Texas

The Trevino No. 1-A well in the deep Wilcox trend of south Texas was completed in August 1983 as a major natural gas discovery. During initial tests, the well flowed at a stabilized rate of 9.6 MMCF per day through a 14/64-inch choke, with flowing tubing pressure of 9,255 psi and a shut-in pressure of 10,462 psi. The well is located in Jim Hogg County, Texas, approximately seven miles south-east of Shell Oil Company's producing Fandango Field.

Multiple Wilcox sands were encountered and after extensive production testing the Trevino recorded an absolute open flow potential of 58 MMCF per day. The test was from a Wilcox sandstone of 40 feet in thickness, perforated in the interval 13,952-13,972 feet.

Gas sales from the Trevino discovery began in September through temporary facilities under a 12-month contract at US\$3.50 per MCF. A long-term contract with appropriate price escalation is under negotiation.

The Company financed the play with the assembly of 10,231 acres in 1980 at a cost of US\$2.7 million. The prospect was farmed out to a drilling group, with Barrick recovering its investment and retaining a 12.5 percent carried working interest through the drilling and completion of three 15,000 foot Wilcox tests. The second well will be

*Barrick Resources Corporation
New Technology Leads to
Exploration Success*

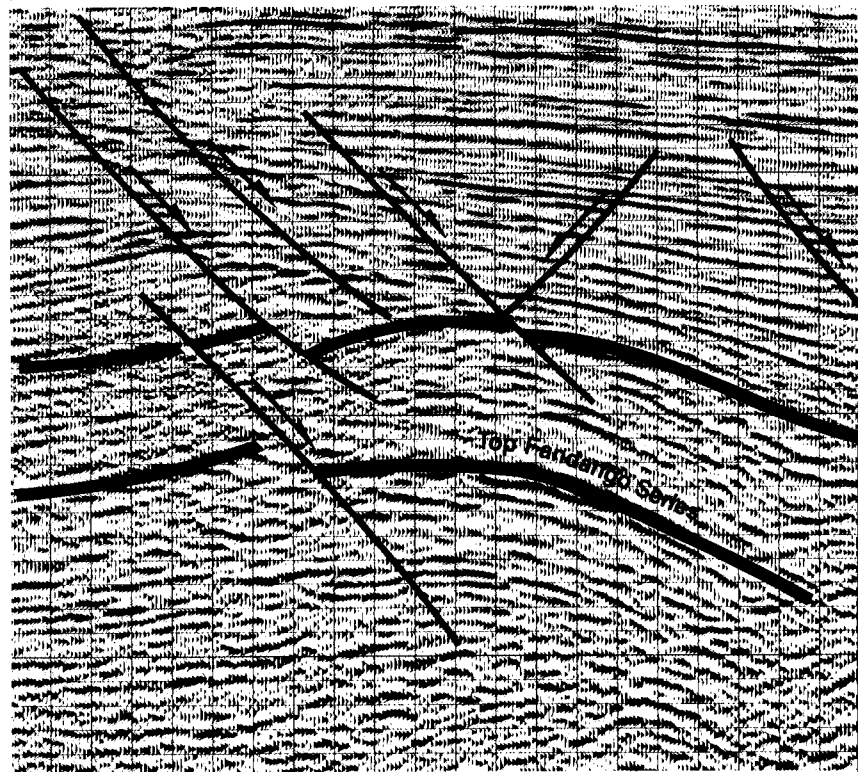
Since its inception in 1980, Barrick has been in the forefront of developing and applying new technology to identify potentially rewarding areas for hydrocarbon exploration.

Landsat imaging has been an invaluable tool in the identification of exploration targets. Landsat is a remote-sensing satellite, circling the globe at an altitude of 438 miles. The satellite scanners detect light, radiation and temperature which, when transmitted to Earth, are computer enhanced to form photo images. These images are the basis for Barrick's geomorphic and photogeologic studies which lead to the identification and anomalous areas with hydrocarbon prospectivity.

Barrick actively uses the new seismic technologies for detailed subsurface studies following the remote sensing leads. The computer enhanced seismic imagery shown here has been particularly effective in defining the Company's deep onshore Gulf Coast exploration prospects.

The combining of these new technologies with traditional subsurface geological interpretation of deep high reward prospects has resulted in major gas discoveries in 1983. The Company's skills have attracted joint venture partners to its projects, to carry Barrick's interest through the risk drilling stage.

This computer enhanced seismic section illustrates the productive Fandango sands and related faulting.



spudded in May 1984 and the third should be completed by the end of 1984.

The 1984 drilling in Fandango will allow Barrick to confirm major natural gas reserves before the Company is required to make any capital expenditure. The recently completed acquisition and reprocessing of seventy-five miles of seismic data over the structure increases confidence that a major new Wilcox gas field has been discovered.

An independent reserve report has defined net proven reserves at 12.9 BCF, with net probable reserves adding 12.8 BCF. At a 10 percent discount the present value of future proven and probable revenue net to Barrick is forecasted at \$54 million.

Madden-Badwater Field, Wyoming

A discovery well, which indicates exceptional future returns to Barrick, was drilled and completed in the Wind River Basin, Wyoming in the fourth quarter of 1983. The Leonard No. 1-24 was perforated in the interval 14,628-14,688 feet and tested at a rate of 3.9 MMCF per day without stimulation. Numerous productive sands were encountered in the Lance and Fort Union sections. The discovery is located on the Madden-Badwater anticline, three miles north of the Madden Field which is a major Wyoming gas producer. The Leonard was drilled and completed for \$2.9 million which is approximately half the cost of previous wells drilled in the area.

Barrick has a 33.1 percent net working interest in the well and is the operator. A gas contract has been arranged and the well is on production. Three more wells will be drilled during 1984 on the 1,432 acre prospect. Because of multiple pay sands in both Fort Union and Lance, plus unexplored

deeper potentials, considerable development will be required.

An independent engineering report has defined proven and probable reserves of 8.7 BCF net to Barrick's interest. Barrick's 10 percent discounted value of future net revenue from proven and probable reserves of gas is \$18.9 million.

Western Overthrust, Montana

Barrick's 55,000 net acre position in the Montana Overthrust is an exploration play with great potential return. Geophysical data indicate the presence of massive structures with both oil and gas accumulations a possibility. A large number of anomalies have been mapped and an expanded joint venture lease acquisition program with a \$5 million budget is underway in 1984. Plans also include sponsoring the drilling of a 10,000 foot test funded by others to test multiple horizons where Barrick's land position is the heaviest.

The ARCO-Marathon No. 1 Gibbs test which is drilling 35 miles west of Kalispell, Montana is the first probe to test the deep structures that are postulated to underlie the overthrust Belt series rocks that create the mountain terrain here. Barrick has a significant land position near the ARCO well. All major companies are now active in this new exploration play.

It is Barrick's goal to joint venture acreage acquisition on ten to twelve prospects and initiate exploration and drilling over the next three years.

Arkoma/Desha Basins, Arkansas and Mississippi

Barrick's strategy for being in the forefront of exploring and developing new areas was the reason behind the acquisition of

112,000 acres in the Arkoma Basin of southern Arkansas and the Desha Basin and Black Warrior Basin of central Mississippi. Industry interest in these areas has been increasing and intensified exploratory drilling activity is expected in 1984. Barrick is currently negotiating a farmout with industry partners.

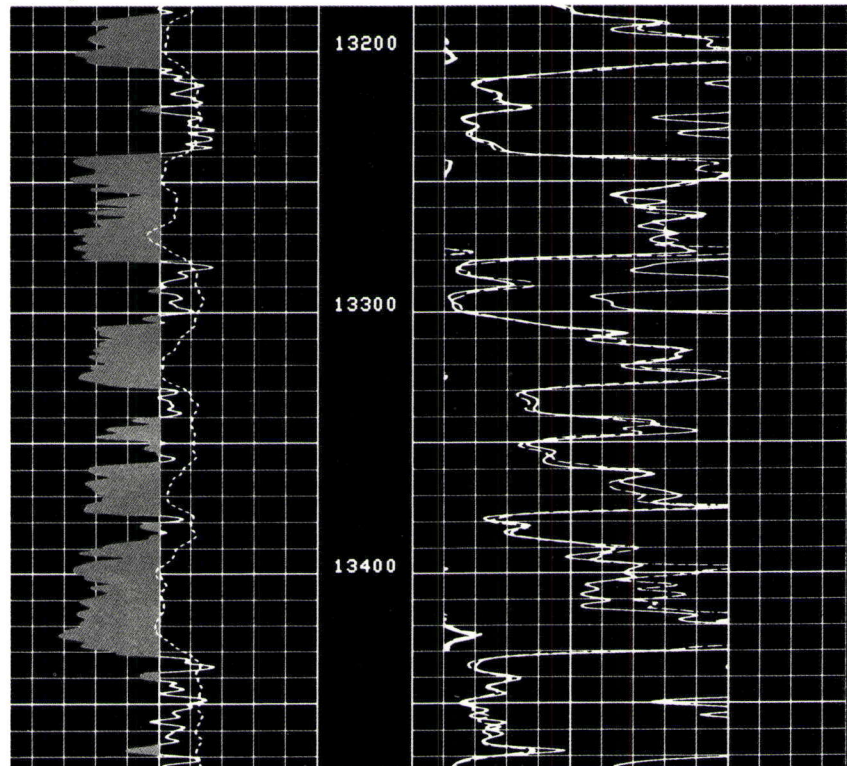
Umatilla Basin, Oregon

Barrick has assembled 200,000 acres in another frontier exploration area in the Umatilla Basin of central Oregon. Active exploration has been led in this area by Shell Oil Company. At this point in time, the Company has a 100 percent working interest, subject to 14.5 percent royalties. The play has the potential to establish a large reserve of natural gas over the long-term.

Midland Basin, Texas

The 5,700 acres in the Midland Basin of west Texas have been assembled on prospects which have potential for oil discovery. The Company's specialized geomorphic exploration techniques were the basis for the land assembly. Drilling targets are now being defined by seismic in partnership with American Trading and Production Company, an operator with many years experience in the area. The first exploratory well will begin drilling in 1984 to a proposed test depth of 9,700 feet.

This formative resistivity log of Leonard 1-24, Madden Field shows favourable middle Lance sandstone development.



Substantial progress was made on all international properties in 1983. The Australian and New Zealand drilling was encouraging and the technical appraisal of the Black Sea lands was completed. These projects have potential for major discovery of hydrocarbons, and are now entering a key exploration stage.

Australia, Canning Basin

Two wells began drilling in the third quarter of 1983 on the EP114 lands in north-western Australia. The Company has a 7 percent working interest in the 3.3 million acre block. The drilling locations were based on a \$10.5 million seismic program funded by Gulf Oil as farmee and completed in 1983.

The Cow Bore No. 1 tested Paleozoic carbonates to a total depth of 9,645 feet. Significant hydrocarbon shows were encountered but were non-commercial. The Crab Creek No. 1 ceased drilling at 6,000 feet to wait out the end of the rainy season. Drilling will resume in April to test a strong seismic feature at an 8,500 foot total depth.

The Hedonia No. 1 well has been programmed for early 1984 as a test of the lower Paleozoics in the Broome Arch at a planned total depth of 5,000 feet. This well

is near the western end of EP114, near the sea and will evaluate a major anomaly defined by the late 1983 detail seismic program.

New Zealand, Taranaki Basin

Barrick, in conjunction with an international consortium, holds a 3.675 percent net working interest in a 593,000 acre block in the Taranaki Basin prospect offshore New Zealand. The prospect is directly south to the offshore Maui gas - condensate field.

The initial offshore test, the Moki No. 1, was completed in December 1983, with encouraging results. A production test was carried out in perforated intervals between 4,245 and 4,277 feet in the Mokau formation. During a restricted test through a 3/8-inch choke, the flow of 37.9° gravity oil stabilized at a rate of 651 barrels per day with a wellhead pressure of 345 psi.

Full evaluation of the production test and other well information will be required to determine the potential of the Mokau formation and the economic feasibility of field development.

Australia, Perth Basin

The seismic program on the 130,000 acre offshore prospect in the Perth Basin was completed in the third quarter of 1983. The work has defined a drilling target and farmout negotiations now underway should result in a 1984 drilling commitment. Barrick Resources has a 12.8 percent interest in the block.

Turkey, Black Sea

Under an agreement with the Turkish National Petroleum Company, Barrick Resources has completed a major regional study of prospective hydrocarbon areas both onshore and offshore of the Turkish Black Sea coast. The initial area of interest encom-

passes 8 million acres in an area representative of the central European basin in which commercial production now exists offshore Romania and Russia. Gas shows have occurred in several wells drilled off the Turkish coast and rich oil seeps occur on-shore along the coast.

The Black Sea area of Northern Turkey remains one of the few virtually unexplored, petroliferous basins in the Free World. The regional studies have incorporated all available technical data and confirm major structures and significant potential for hydrocarbon discovery.

Barrick has entered into an agreement with the Triad Group of Saudi Arabia which gives Triad a 50 percent working interest in Barrick's 49 percent.

After the regional studies are fully evaluated, specific prospect areas will be identified for a joint exploration program with oil industry partners.

The section of solid black represents Barrick Resources' area of interest in the Black Sea region of Northern Turkey.



Barrick Resources Corporation
Management's Financial Review

The Company's assets increased by \$27,721,000 in 1983 to \$52,540,000. This increase resulted from the acquisition of gold properties of \$14,143,000, net expenditures on oil and gas properties of \$4,160,000, and increases in current and other assets of \$7,014,000 and \$2,404,000 respectively. The increase in assets was financed by the issue of capital stock of \$30,294,000 being \$15,657,000 in connection with the acquisitions of Sungate Resources Ltd., Consolidated Summit Mines Limited and PetroInc Resources Ltd., \$13,722,000 for cash and \$915,000 for debt and oil and gas leases.

Working capital increased by \$5,620,000 in 1983. Working capital was provided by the issue of capital stock referred to above, the sale of oil and gas interests for \$3,998,000 and an increase in long-term debt of \$500,000. Working capital was used in the acquisition of gold interests of \$14,820,000, oil and gas expenditures of \$10,407,000, other assets of \$2,761,000, \$1,070,000 used in operations and \$114,000 in raising capital.

The loss for the year amounted to \$4,421,000 including exploration costs written off of \$2,607,000 relating to the Tunisian oil and gas venture. Operations in 1983 include the Company's share of the results of the Renabie Mine for the fourth quarter of 1983 and all gold revenues and costs of production relate to this activity. No profit or loss has been recognized on the sale of oil and gas interests, the proceeds from such sales being deducted from the capitalized costs of oil and gas properties.



Jeremy Garbutt,
Vice President Finance

Auditors' Report

To the Shareholders of Barrick Resources Corporation

We have examined the consolidated balance sheet of Barrick Resources Corporation as at December 31, 1983 and the consolidated statements of loss and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Coopers & Lybrand
Chartered Accountants

Toronto, Canada March 9, 1984

Barrick Resources Corporation
Consolidated Balance Sheet
As At December 31, 1983 (\$000's)

| Assets | 1983 | 1982 |
|--|-------------|-------------|
| Current assets | | |
| Cash (Note 6) | \$ 4,020 | \$ 331 |
| Accounts receivable | 3,285 | 122 |
| Inventories and prepaid expenses | 568 | 406 |
| | 7,873 | 859 |
| Notes receivable (Note 10c) | 637 | — |
| Investment (Note 8b) | 1,991 | — |
| Property, plant and equipment (Note 4) | 40,499 | 22,374 |
| Deferred computer software development costs (Note 5) | 1,540 | 1,586 |
| | \$52,540 | \$24,819 |
| Liabilities | | |
| Current liabilities | | |
| Bank indebtedness (Note 6) | \$ 1,774 | \$ 2,663 |
| Accounts payable and accrued liabilities | 5,414 | 1,675 |
| Related company loans | — | 1,456 |
| | 7,188 | 5,794 |
| Long-term debt (Note 7) | 3,617 | 3,049 |
| | 10,805 | 8,843 |
| Shareholders' equity | | |
| Capital stock (Note 8) | 49,191 | 18,897 |
| Deficit | (7,456) | (2,921) |
| | 41,735 | 15,976 |
| | \$52,540 | \$24,819 |

Signed on behalf of the board
 Gary J. Last *Director*
 David H. Gilmour *Director*

Barrick Resources Corporation
Consolidated Statement of Loss
For the Year Ended December 31, 1983 (\$000's)

| | 1983 | 1982 |
|---|----------------|----------------|
| Revenue | | |
| Gold production | \$ 1,672 | \$ — |
| Investment and other income | 280 | 161 |
| | <u>1,952</u> | <u>161</u> |
| Expense | | |
| Costs of gold production | 1,534 | — |
| Depreciation and amortization | 456 | 84 |
| General and administration | 1,539 | 787 |
| Costs of abandoned gold acquisitions | 220 | — |
| Loss from discontinued operations | 17 | 697 |
| | <u>3,766</u> | <u>1,568</u> |
| Loss for the year before exploration costs written off | 1,814 | 1,407 |
| Exploration costs written off | 2,607 | — |
| Loss for the year | <u>4,421</u> | <u>1,407</u> |
| Loss per share for the year (dollars) | <u>\$ 0.09</u> | <u>\$ 0.04</u> |

Barrick Resources Corporation
Consolidated Statement of Deficit
For the Year Ended December 31, 1983 (\$000's)

| | 1983 | 1982 |
|--|-----------------|-----------------|
| Deficit at beginning of year | \$ 2,921 | \$ 1,250 |
| Loss for the year | 4,421 | 1,407 |
| Costs incurred in raising capital | 114 | 264 |
| Deficit at end of year | <u>\$ 7,456</u> | <u>\$ 2,921</u> |

Barrick Resources Corporation
Consolidated Statement
of Changes in Financial Position
For the Year Ended December 31, 1983 (\$000's)

| | 1983 | 1982 |
|---|---------------|-------------------|
| Sources of working capital | | |
| Issue of common stock | \$27,108 | \$ 481 |
| Issue of preferred stock (net of redemptions, conversions and exchanges \$37,264) | 3,186 | — |
| Issue of long-term debt | — | 3,049 |
| Sale of oil and gas interests | 3,998 | — |
| | <u>34,292</u> | <u>3,530</u> |
| Uses of working capital | | |
| Loss for the year | 4,421 | 1,407 |
| Items not affecting working capital | | |
| Depreciation and amortization | (456) | (84) |
| Exploration costs written off | (2,607) | — |
| Costs of abandoned gold acquisitions | (220) | — |
| Unrealized foreign exchange loss | (68) | — |
| Used in operations | <u>1,070</u> | <u>1,323</u> |
| Business acquisitions (net of working capital acquired of \$15,441) | 15,513 | — |
| Property, plant and equipment | 9,221 | 9,948 |
| Investment | 1,991 | — |
| Notes receivable | 637 | — |
| Deferred computer software development costs | 126 | 1,552 |
| Costs incurred in raising capital | 114 | 264 |
| | <u>28,672</u> | <u>13,087</u> |
| Increase (decrease) in working capital | 5,620 | (9,557) |
| Working capital (deficiency) at beginning of year | (4,935) | 4,622 |
| Working capital (deficiency) at end of year | <u>\$ 685</u> | <u>\$ (4,935)</u> |

1 Basis of presentation

These consolidated financial statements reflect the operations of Barrick Resources Corporation (the Company) and its predecessor company, Barrick Petroleum Corporation (Barrick Petroleum). During the year, Barrick Petroleum completed a reverse take-over of Consolidated Summit Mines Limited (Summit) and PetroInc Resources Ltd. (PetroInc) to form the Company. The Company subsequently amalgamated with Sungate Resources Ltd. (Sungate) and thereby acquired a 50% interest in Renabie Mines (1981) Limited (Renabie).

2 Accounting policies

a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries. Substantially all of the Company's gold and oil and gas activities, including the Renabie Mine, are conducted jointly with others and, accordingly, the financial statements reflect the Company's proportionate interest in such activities.

b) Translation of foreign currencies

The Company's integrated foreign operations are translated by the temporal method whereby monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date, non-monetary items and related depreciation and amortization are translated at historical exchange rates and revenues and expenses are translated at the exchange rates in effect at transaction dates.

c) Inventories

Gold and silver precipitate on hand is valued at net realizable value. Supplies inventories are valued at the lower of cost and net realizable value.

d) Property, plant and equipment

The Company follows the full cost method of accounting for oil and gas interests whereby all costs relating to the exploration and development of oil and gas reserves are capitalized. Such costs include land acquisition costs, geological and geophysical expenses, engineering fees, interest, administration expenses and costs of drilling both productive and non-productive wells.

Costs are allocated to a separate cost centre for each country in which the Company operates and will be amortized by the unit of production method based upon the estimated proven oil and gas reserves in each country. The recoverability of deferred exploration costs is dependent upon the existence of economically recoverable reserves and, as yet, in certain countries exploration has not proceeded to the stage where it is possible to determine whether such reserves exist.

Mining claims and deferred mine development costs and mining equipment and buildings are recorded at cost and amortized by the unit of production method based on estimated proven and probable ore reserves. Other fixed assets are recorded at cost and depreciated on the straight line basis over 3 to 5 years.

3 Business acquisitions

a) On April 28, 1983, Barrick Petroleum completed a share exchange offer with Summit whereby all the issued and outstanding shares of Barrick Petroleum were acquired by Summit in exchange for shares of Summit. Immediately after the share exchange, Summit amalgamated with PetroInc to form the Company.

These transactions resulted in the Barrick Petroleum shareholders ultimately owning 96.25% of the Company, and thus have been treated as a reverse take-over of Summit and PetroInc by Barrick Petroleum and accounted for by the purchase method. Accordingly, these financial statements include the assets and liabilities of Barrick Petroleum at book value and the assets and liabilities of Summit and PetroInc at fair value as at the date of the acquisition and the results of operations of Summit and PetroInc for the eight months ended December 31, 1983. The fair value of Summit's and PetroInc's assets and liabilities at the date of acquisition amounted to \$2,342,000 and \$300,000 respectively, the excess of fair value over book value of \$1,559,000 being attributable to oil and gas interests. As Barrick Petroleum was the acquiring company, the share capital and deficit of Barrick Petroleum became the share capital and deficit of the Company.

b) On October 14, 1983, the Company amalgamated with Sungate, continuing as Barrick Resources Corporation, and immediately thereafter sold 50% of Sungate's wholly owned subsidiary Renabie, at the Company's cost, to Cullaton Lake Gold Mines Ltd. (Cullaton). The effect of these transactions was that the Company acquired 50% of Renabie as virtually all of Sungate's assets, other than Renabie, were divested concurrent with the amalgamation.

The amalgamation between the Company and Sungate has been accounted for as a purchase of Sungate by the Company and accordingly these statements include the Company's share of the results of operations of Renabie for the three months ended December 31, 1983. The fair value of Sungate's assets and liabilities acquired amounted to \$52,006,000 and \$11,556,000 respectively, the excess of fair value over book value of \$11,561,000 being attributable primarily to mining claims. The consideration to the shareholders of Sungate to acquire the net assets was the issue of First and Second Preferred shares at their fair value as set out in Note 8.

4 Property, plant and equipment

| | 1983 | 1982 |
|---|-------------|-------------|
| | \$000's | \$000's |
| Cost: | | |
| Oil and gas interests | \$26,090 | \$21,930 |
| Mining claims and deferred mine development costs | 11,107 | — |
| Mining equipment and buildings | 4,187 | — |
| Other fixed assets | 380 | 594 |
| | 41,764 | 22,524 |
| Accumulated depreciation and amortization | (1,265) | (150) |
| | \$40,499 | \$22,374 |

Barrick Resources Corporation
Notes to Consolidated Financial Statements
For the Year Ended December 31, 1983
(continued)

5 Deferred computer software development costs

Computer software development costs are deferred until marketing of the systems commences. Marketing has commenced in 1984 and deferred development costs will be amortized against sales of such systems.

| 6 Bank indebtedness | 1983 | 1982 |
|--|-----------------|-----------------|
| | \$000's | \$000's |
| US \$1,000,000 (1982 US \$2,000,000) Interest at U.S. prime, secured on certain oil and gas assets, repaid in February 1984. | \$ 1,244 | \$ 2,439 |
| Loan at Canadian prime plus 1% secured on the assets of Renabie and \$500,000 of the Company's cash deposits | 530 | — |
| Irish pounds 130,000, interest at 12%, repaid in 1983 | — | 224 |
| | <u>\$ 1,774</u> | <u>\$ 2,663</u> |

| 7 Long-term debt | 1983 | 1982 |
|--|-----------------|-----------------|
| | \$000's | \$000's |
| US \$2,500,000 due from a subsidiary of a company, certain of whose shareholders are Directors of the Company. Interest at U.S. Prime plus 1% repayable February 1985. | \$ 3,117 | \$ 3,049 |
| Interest-free loan from a shareholder repayable by April 1986 | 500 | — |
| | <u>\$ 3,617</u> | <u>\$ 3,049</u> |

8 Capital stock

| Barrick Resources Corporation | Authorized | Issued and Fully Paid | \$000's |
|--------------------------------------|-------------------|------------------------------|-----------------|
| Common shares without par value | Unlimited | 57,784,184 | \$46,005 |
| First Preferred Shares – Series A | 10,000,000 | 629,240 | 1,195 |
| Second Preferred Shares – Series A | 15,000,000 | 819,351 | 1,991 |
| | | | <u>\$49,191</u> |

During the year Barrick Petroleum completed a share exchange, as set out in Note 3(a), whereby its shares were exchanged for shares of Barrick Resources (formerly Summit). The amount attributed to the capital stock of Barrick Resources at April 28, 1983 reflects the capital stock of Barrick Petroleum plus the fair value of the assets, less liabilities, of Summit and PetroInc.

Barrick Resources Corporation
Notes to Consolidated Financial Statements
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| Barrick Petroleum Corporation | Number of shares | \$000's |
|--|-------------------------|------------------|
| Common shares | | |
| Outstanding at January 1, 1983 | | |
| Barrick Petroleum Corporation | | |
| – Class A | 15,566,667 | \$ 18,896 |
| – Class B | 1,000 | 1 |
| Issued during the year | | |
| Class A shares – for cash | 4,125,000 | 11,187 |
| – for debt | 265,000 | 729 |
| | <u>19,957,667</u> | <u>30,813</u> |
| Deemed issue of shares on acquisition of Consolidated Summit Mines Limited and PetroInc Resources Ltd. | | 2,042 |
| | | <u>\$ 32,855</u> |

| Barrick Resources Corporation | Number of shares | \$000's |
|---|-------------------------|------------------|
| Common shares | | |
| Outstanding at April 28, 1983 | | |
| Consolidated Summit Mines Limited | 3,125,001 | \$ 2,063 |
| Issued during the year | | |
| In consideration for all of the outstanding shares of | | |
| Barrick Petroleum Corporation | 196,029,268 | 54,000 |
| PetroInc Resources Ltd. | 4,287,505 | 1,361 |
| One for four share consolidation | (152,581,331) | — |
| Adjustments for business combination | | |
| accounting for reverse takeover | — | (24,569) |
| | <u>50,860,443</u> | <u>32,855</u> |
| For oil and gas leases | 134,892 | 186 |
| On conversion of First Preferred Shares, Series A | 3,634,630 | 6,906 |
| On conversion of Second Preferred Shares, Series A | 1,854,219 | 3,523 |
| For cash | 1,300,000 | 2,535 |
| | <u>57,784,184</u> | <u>\$ 46,005</u> |

| | | |
|---|----------------|-----------------|
| First Preferred Shares, Series A | | |
| Issued during the year | | |
| In part consideration for all of the outstanding shares | | |
| of Sungate Resources Ltd. | 4,263,870 | \$ 8,101 |
| Converted to common shares | (3,634,630) | (6,906) |
| | <u>629,240</u> | <u>\$ 1,195</u> |

Barrick Resources Corporation
Notes to Consolidated Financial Statements
For the Year Ended December 31, 1983
(continued)

| Barrick Resources Corporation | Number of shares | \$000's |
|---|-------------------------|----------------|
| Second Preferred Shares, Series A | | |
| Issued during the year | | |
| In part consideration for all of the outstanding shares of Sungate Resources Ltd. | 8,742,866 | \$ 32,349 |
| Purchased for cash | (4,648,813) | (17,201) |
| Converted to common shares | (952,167) | (3,523) |
| Exchanged for Cullaton common shares | (2,322,535) | (8,593) |
| | 819,351 | 3,032 |
| Adjustment on fixing of redemption price (Note 8b) | — | (1,041) |
| | 819,351 | \$ 1,991 |

a) The First Preferred Shares are entitled to a fixed non-cumulative preferential cash dividend of \$0.114 per share per annum and are convertible into common shares on a one-for-one basis. After January 1, 1984, such shares are redeemable at the Company's option at the lesser of \$1.90 or at a price (stipulated by the Company) equal to the weighted average price of the Company's common shares on The Toronto Stock Exchange over a period of 20 consecutive trading days ending not more than 5 days prior to the date upon which notice of such price is given by the Company.

b) The Second Preferred shares are entitled to a fixed non-cumulative preferential cash dividend of \$0.222 per share per annum and were exchangeable on a one-for-one basis for common shares of Cullaton. However, on February 3, 1984, the Company exercised its option to give notice to the Second Preferred shareholders of its intention to fix the redemption price, based on the average price of Cullaton common shares on The Toronto Stock Exchange, at \$2.43 per share. Accordingly both the carrying value of the 819,351 Cullaton common shares, which are held as an investment to meet the exchange right of the Second Preferred shareholders, and the Company's Second Preferred shares have been adjusted, by the amount of \$1,041,000, to the fixed price of \$2.43 per share. The right to exchange for common shares of Cullaton, which at December 31, 1983 had a market value of \$2.60 per share, expired 30 days after the Company gave notice of its intention to fix the redemption price. Holders of these shares or the Company may require redemptions at any time.

c) The directors have approved stock options whereby 302,250 common shares have been set aside to be exercised at various prices between \$1.12 and \$3.20 per share on or before March 12, 1986.

9 Income taxes

The Company and its subsidiaries have losses for tax purposes as at December 31, 1983 of approximately \$2,700,000 (1982 \$1,685,000) which may be carried forward to reduce taxable income in future years and for which no future tax benefit has been recognized in the

accounts. Of these losses, \$400,000 expires by December 31, 1986, \$250,000 by December 31, 1987, \$1,050,000 by December 31, 1988 and \$1,000,000 by December 31, 1997.

10 Related party transactions

a) The services of the Company's officers and staff and the use of office space and facilities are provided, at cost, by a company the shareholder of which is a director of the Company. Charges for these services totalled \$920,000 in 1983 and the unpaid amount of \$480,000 is included in accounts payable.

b) Included in accounts receivable is an amount of \$390,000 being due, in respect of one of the Company's oil and gas joint ventures, from a company the chairman of which is a director of the Company. Other amounts due from related parties amounting to \$154,000 are also included in accounts receivable.

c) Loans were made during the year to a former director and two officers of the Company to enable them to buy shares in the Company. The loans amounting to \$637,000 are evidenced by notes receivable which are interest-free, non-recourse and repayable by 1986.

11 Commitments

a) As at December 31, 1983, the Company was required to spend approximately \$3,300,000 (1982 \$6,500,000) during the next three years under the terms of certain oil and gas agreements.

b) The Company has granted to Campbell Resources Inc., the manager of the Renabie mine, an option to acquire 10% of the Company's interest in Renabie for \$1,160,000 exercisable until January 1, 1989.

12 Contingent liability

The Company has commenced legal proceedings for restitution and damages against Occidental Petroleum et al, whereby it is seeking return of its invested capital in the Tunisian Joint Venture of approximately \$1,600,000. Occidental is defending the action and has initiated a counter claim for recovery from the Company of approximately \$2,000,000 representing unpaid cash calls. In the event the Company has to pay these cash calls they will be written off as 1983 unsuccessful exploration costs. The ultimate outcome of these actions cannot be determined at the present time.

13 The Barrick-Cullaton Gold Trust

On February 13, 1984, Renabie received \$14,900,000 (\$17,000,000 less issue expenses) from the Barrick-Cullaton Gold Trust under the terms of a gold acquisition agreement. The funds are held in trust and are dedicated to the expansion of the Renabie mine. In consideration for the funds received Renabie has committed to allocate to the Trust a percentage of future gold production ranging from 3% to 10% of total production, depending upon the then current price of gold bullion.

Barrick Resources Corporation
Notes to Consolidated Financial Statements
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(continued)

14 Business segments

The Company has two principal business segments: gold and oil and gas. The Company commenced its gold operations in 1983 and is involved in exploration, development and production. The Company's oil and gas activities to date have been in exploration, however, development and production operations will commence in 1984.

Revenues and loss for the year

| | 1983 | 1982 |
|-----------------|-------------|-------------|
| | \$000's | \$000's |
| Revenues | | |
| Gold - Canada | \$ 1,672 | \$ — |

Loss for the year

| | | |
|----------------------------|-----------------|-----------------|
| Gold - Canada | \$ 651 | \$ — |
| Oil and gas - Tunisia | 2,607 | — |
| Discontinued operations | 17 | 697 |
| General corporate expenses | 1,146 | 710 |
| | \$ 4,421 | \$ 1,407 |

Depreciation and amortization

| | | |
|------|--------|------|
| Gold | \$ 448 | \$ — |
|------|--------|------|

Assets

Gold

| | | |
|--------|---------------|----------|
| Canada | \$17,194 | \$ — |
| U.S.A. | 806 | — |
| | 18,000 | — |

Oil and gas

| | | |
|-------------|---------------|---------------|
| U.S.A. | 26,501 | 19,446 |
| Australia | 1,825 | 1,375 |
| Turkey | 1,254 | 925 |
| New Zealand | 547 | 467 |
| Tunisia | — | 1,303 |
| | 30,127 | 23,516 |

Cash and other assets

| | | |
|--|-----------------|-----------------|
| | 4,413 | 1,303 |
| | \$52,540 | \$24,819 |

Capital expenditures

| | | |
|-------------|----------|----------|
| Gold | \$14,820 | \$ — |
| Oil and gas | \$10,407 | \$ 9,948 |

Officers

David H. Gilmour
Chairman

Gary J. Last
President and Chief Executive Officer

Stephen R. Dattels
Executive Vice President

Jeremy Garbutt
Vice President Finance

Gregory Wilkins
Corporate Secretary

Roger L. Jarvis
President
Barrick Exploration Company

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Legal Counsel
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